Manitoba
Agriculture

nformation Update

Guidelines for Estimating
Beef Grassing Costs
Based on 500 Head

Date: February, 2001

The following budget is an estimate of the costs of production associated with pasturing 500 feeder cattle. The purpose of this budget is to assist Manitoba livestock producers in calculating their own costs and take into consideration the factors that should be included when budgeting to determine break-even prices.

Manitoba has an abundance of suitable land for pasturing cattle (ie. PFRA Community pastures, Agricultural Crown Lands, private pastures, etc.). Because of this abundance the cost of raising cattle on pasture in Manitoba is very competitive when compared to other provinces. In this budget it is assumed that feeders are purchased in the spring, put in a feedlot for 60 days prior to going out on pasture for an additional 115 days.

The assumptions on which costs are calculated are clearly defined in the supporting pages. When interpreting these costs for an individual situation, adjustments may be required. Note that on-farm feed costs are based on market prices at the farm. It is assumed that all the feed is grown on the farm, except for supplements. Each assumption must be examined and adjustments made, where necessary, to apply to the farmer's own situation.

Interpretation and use rests solely with the user and Manitoba Agriculture assumes no liability for decisions made because of use of this publication, as this is just a guide.

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BEEF GRASSING PRODUCTION COST SUMMARY -2001

	Cost/head	Cost/CWT	Your Cost
A. Operating Costs			
1. Feed Costs:			
1.01 Ground Barley	$8.44	$1.00	
1.02 Hay	$16.80	$1.99	
1.03 Salt, Vitamins & Minerals	$2.10	$0.25	
Total Feed Costs	**$27.34**	**$3.23**	
2. Other Operating Costs:			
2.01 Feeder Cost	$836.01	$98.82	
2.02 Yardage	$18.00	$2.13	
2.03 Rented Pasture	$0.00	$0.00	
2.04 Veterinary Medicine & Supplies	$11.05	$1.31	
2.05 Insurance	$3.71	$0.44	
2.06 Selling Cost	$31.00	$3.66	
2.07 Death Loss	$12.99	$1.54	
Subtotal Operating Costs	$940.10	$111.12	
2.08 Operating Interest	$35.12	$4.15	
Total Operating Costs	**$975.22**	**$115.27**	
B. Fixed Costs			
3.01 Own Pasture Costs	$47.50	$5.61	
Total Operating & Fixed Costs	**$1,022.72**	**$120.89**	
C. Labour	$2.50	$0.30	
Total Costs Of Production	**$1,025.22**	**$121.18**	

Cost per lb of gain sold		**$/lb**	
Operating costs		$975.22	operating
	-	$836.01	feeder cost
	±	296	weight gain
	=	$0.47	**/lb gain sold**
Total Costs		$1,025.22	total costs
	-	$836.01	feeder cost
	±	296	weight gain
	=	$0.64	**/lb gain sold**

BEEF GRASSER CATTLE PRODUCTION COSTS

ASSUMPTIONS:

1. This Budget outlines the cost of production for raising cattle on grass before finishing.
2. All feed is purchased.

HERD PROFILE

Number of Feeders Purchased	**500**	head
Feeder Cattle Mortality Rate (%)	**1.5**	%
Feeder Purchased Shrunk Weight (lbs)	**550**	lbs
Feeder Cattle Price ($/cwt)	**$150.00**	$/cwt
Finish Weight (lbs)	**900**	lbs
Percent Shrink (%) - out	**6.0%**	%
Shrunk Weight (lbs)	846	lbs
Average Daily Gain Gross (lbs/day)	**2.00**	lbs/day
Average Daily Gain Net (lbs/day)	1.69	lbs/day
Total Days Fed	175	days
Days on Feed in Feedlot	**60**	days
Days on Pasture	115	days

(1) FOOTNOTE: 1 kilogram (kg) = 2.2046 pounds (lbs)

FEED COSTS	Cost	Amount
Ground Barley ($/bu)	**$2.25**	**3.00** (lbs/day)
Hay ($/ton)	**$40.00**	**14.00** (lbs/day)
Salt, Vit.etc.($/lb)	**$0.30**	**7.00** (lbs/YEAR)

BEEF GRASSER PRODUCTION COST WORKSHEET

A. OPERATING COSTS

				Your Cost
1. Feed Costs:				
1.01 Ground Barley				
		60	days on ground barley	
	x	3.00	lbs/feeder/day	
	=	3.75	bushels fed	
	x	$2.25	/bu	
	=	**$8.44**	**/feeder**	
1.02 Hay				
		60	days on hay	
	x	14.00	lbs/feeder/day	
	=	0.42	tons fed	
	x	$40.00	/ton	
	=	**$16.80**	**/feeder**	
1.03 Salt, Vitamins & Minerals				
		7.00	lbs/feeder/year	
	x	$0.30	/lb	
	=	**$2.10**	**/feeder**	
2. Other Operating Costs:				
2.01 Feeder Cattle Cost				
Commission		$0.75	$/cwt	
	x	550	lbs/feeder	
	÷	100	lbs/cwt	
	=	$4.13	/feeder	
Trucking-in		$1.25	$/cwt	
	x	550	lbs/feeder	
	÷	100	lbs/cwt	
	=	$6.88	/feeder	

				Your Cost
Feeder		550	lbs/feeder	
	x	$150.00	$/cwt	
	÷	100	lbs/cwt	
	=	$825.00	/feeder	
Total Cost		**$836.01**	**/feeder**	

2.02 Yardage (includes straw, repairs, maintenance, utilities & office supplies)

	$0.30	cost/head/day	
x	60	days on feed	
=	**$18.00**	**/feeder**	

2.03 Rented Pasture

	$0.00	cost/head/day	
x	115	days on pasture	
=	**$0.00**	**/feeder**	

2.04 Veterinary Medicine & Supplies

	$1.00	/Tagging	
+	$0.65	/Vitamin	
+	$3.25	/Parasites	
+	$0.55	/Blackleg 7 way	
+	$1.60	/Growth Implant	
+	$2.50	/Antibiotics	
÷	$1.50	/Vaccine 3 way	
=	**$11.05**	**/feeder**	

2.05 Insurance

	$825.00	investment/head	
x	$0.45	cost/$100 capital	
÷	100	/$100	
=	**$3.71**	**/feeder**	

				Your Cost
2.06 Marketing & Transportation				
Trucking				
	x	900	lbs/feeder	
	÷	100	lbs/cwt	
	x	$1.25	trucking cost/cwt	
	=	$11.25	/feeder	
Selling Commission				
		$17.00	commission	
	+	$0.75	insurance	
	=	$17.75	/feeder	
MCPA Checkoff		$2.00	/feeder	
Total Costs	**=**	**$31.00**	**/feeder**	
2.07 Death Loss				
		$836.01	feeder cattle cost	
	+	$896.11	maximum value	
	÷	2.0	average	
	=	$866.06	average value	
	x	1.5	% mortality rate	
	=	**$12.99**	**/feeder**	
2.08 Operating Interest				
		$836.01	feeder cost	
	+	$52.05	½ of feed & other costs	
	x	8.25	% operating interest	
	x	175	days on feed	
	÷	365	365 days	
	=	**$35.12**	**/feeder**	

				Your Cost
B. FIXED COSTS (Pasture)				
Land				
		2.5	acres/head	
	x	$300.00	$/acre includes fence	
	x	5.0	% investment rate	
	=	$37.50	/feeder	
Taxes				
		2.5	acres/head	
	x	$4.00	$/acre	
	=	$10.00	/feeder	
Total	**=**	**$47.50**	**/feeder**	
5. Labour (pasture labour)				
		0.25	hours/feeder/year	
	x	$10.00	/hour	
	=	**$2.50**	**/feeder**	

For more information see your local Manitoba Agriculture office.

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